

Supplemental Record Request DTE 2-4

To the extent that the Company anticipates issuing “straight” preferred securities, please provide the following information. If specific details have not been finalized at this time, please provide an anticipated range of values.

1. Maturity date(s)
2. Interest Rate
3. Dividend Payment Schedule
4. Par Value
5. Minimum offering price

Response

Specific details as to the size and timing of a preferred securities issuance have not yet been determined. However, if the Company were to issue traditional preferred securities, the anticipated range of values for the potential offering would be as follows:

1. Maturity date(s): Preferred securities are typically issued with a wide range of maturity dates (e.g., as short as three years) and may even be issued without a maturity date. Also, preferred securities may or may not be callable, and if they are, only after certain specified dates. The Company anticipates that a potential issuance of traditional preferred securities would have maturity dates of at least five years, if a maturity date is set at all. The Company anticipates that these types of securities would be callable at the Company’s option after five years.
2. Interest Rates: Based on our most recent discussions with both J.P. Morgan and Merrill Lynch, the expected range of interest rates for a traditional preferred stock offering would be between 4.5 and 8.5 percent.
3. Dividend Payment Schedule: Generally, dividends on shares of preferred stock payments are made on a quarterly basis.
4. Par Value: In accordance with Southern Union’s Certificate of Incorporation (as amended October 26, 1999), traditional preferred stock would be issued with no par value.

5. Offering Price: The Company anticipates that the minimum offering price would be no less than \$5 per share.